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CIA/RR CB 60-24

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29 April 1960

29

## CURRENT SUPPORT BRIEF

POSSIBLE CONSOLIDATION OF COMMUNIST CHINA'S ECONOMIC PLANNING  
UNDER THE STATE PLANNING COMMISSION

OFFICE OF RESEARCH AND REPORTS

CENTRAL INTELLIGENCE AGENCY

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POSSIBLE CONSOLIDATION OF COMMUNIST CHINA'S ECONOMIC PLANNING  
UNDER THE STATE PLANNING COMMISSION

The decline in importance of Communist China's National Economic Commission (NEC) and the increased influence of the State Planning Commission (SPC) in annual planning since the beginning of 1959 suggests that the regime may abolish the former in the near future. Following an organizational pattern set up in the USSR in 1955, China established the NEC in 1956 to relieve the existing SPC of the burden of preparing and administering annual plans, freeing the SPC to make basic studies and prepare long-range economic projections. 1/ The USSR abandoned the separate commission for annual planning within two years. It still exists in China, but the rush of events in the past two years--the reorganization of industrial planning and administration in 1957-58 which was designed in part to relieve central economic planners of a great amount of detail, the 1958 leap forward which made rational economic planning difficult, and the subsequent desire for more effective central economic planning implied in the 1959 slogan of "running the economy like a coordinated chess game"--may prompt the regime to reconsider the concept of separating the annual and long-range planning functions.

The NEC was formally established in May 1956. 2/ Its status relative to the SPC was indicated by the appointment of Po I-po as Chairman. Po, in both government and party positions, is of lower rank than Li Fu-chun, Chairman of the SPC. The staff of the NEC, announced in December 1956, was drawn largely from experienced personnel of the SPC. In 1958 and 1959 some personnel of the two planning commissions were interchanged. 3/ In 1957 the NEC was active in improving the timing of the planning process, 4/ and its Chairman, Po I-po, made the public presentation of both the 1957 and the 1958 draft annual economic plans.

In 1959, the SPC once again became active in the annual planning process. Beginning in 1959, for example, day-to-day responsibility for the allocation of 47 of the most important industrial commodities was transferred from the NEC to the SPC. 5/ In 1959 and 1960 the SPC, rather than the NEC, sponsored several national conferences on current planning--for example, the conference on planning of industrial construction held in March 1960. 6/ Po I-po has been relatively active in the past two years, but the press describes him as Vice Premier rather than as Chairman of the NEC. Li Fu-chun, on the other hand, in his appearance in March 1960 at the National Peoples Congress, was described as both Vice Premier and Chairman of the SPC. In both 1959 and 1960 the draft annual plans were presented before the National Peoples Congress by the Chairman of the SPC, Li Fu-chun. At the 1960 Congress Li Fu-chun indicated that the SPC is also continuing its long-term planning work. He said that the SPC is preparing a new three-year plan to restate the targets of the Second Five-Year Plan (1958-62) in light of the striking accomplishments of 1958 and 1959.

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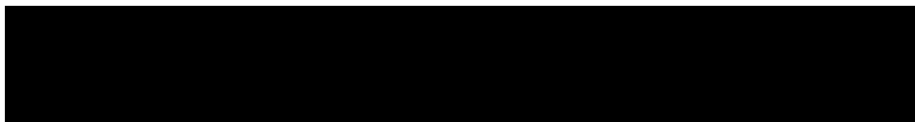
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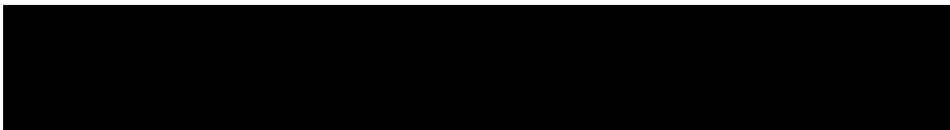
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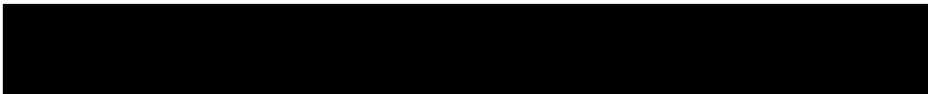
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5. State, Hong Kong. Extracts from China Mainland Magazines,  
no. 151, 22 Dec 58, p. 39. U.

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